

June 30, 1996. This represents an increase over 1995 of \$598,000 and \$537,000 for the Maryland Food Center Authority and the Maryland Environmental Service, respectively, a \$954,000 decrease for the Maryland Industrial Development Financing Authority, and a net decrease of \$18,825,000 in retained earnings for the Maryland Stadium Authority resulting from the cumulative effect of an accounting change which decreased retained earnings by \$27,627,000.

Effective June 30, 1996, the Maryland Deposit Insurance Fund terminated, with its net assets being transferred to the Maryland Department of Labor, Licensing and Regulation which is included in the General Fund.

DEBT ADMINISTRATION

The ratios of net bonded debt to assessed property value, debt to present market value, and bonded debt per capita are considered to be useful indicators of the State's debt position to State management, citizens and investors. Data for fiscal years 1995 and 1996 are shown as follows:

	Amount (expressed in thousands)	Ratio of Net Bonded Debt to Assessed Value (46.4% of Present Market)	Ratio of Debt to Present Market Value	Bonded Debt Per Capita
General obligation bonds:				
1995	\$2,619,069	1.98%	.91	\$519.04
1996	2,859,939	2.10%	.97	567.17

Additionally, outstanding limited obligation bonds of the Department of Transportation and the Maryland Transportation Authority amounted to \$979,880,000 and \$408,431,000 respectively, at June 30, 1996. Debt service on the Department of Transportation bonds is provided principally by excise taxes levied by statute. Debt service on the Maryland Transportation Authority is payable from revenues of the projects of the Authority. Self-supporting revenue bonds outstanding at June 30, 1996 amounted to \$3,418,429,000. Long-term obligations for accrued annual leave of \$146,694,000 represent the value of accumulated earned but unused annual leave for general government employees at June 30, 1996.

In 1978, the Capital Debt Affordability Committee was created to study the State's debt structure and to recommend maximum limitations on annual debt authorizations. Although the recommendations of the Committee are not binding on the State's General Assembly, the amounts of annual general obligation bond authorizations effective for 1996 were within the limits established by the Committee. For the fiscal year 1996, new general obligation bond authorizations amounted to \$399,991,000 (net of deauthorization of prior projects of \$12.1 million).

The following tabulation shows the general obligation bonds issued during the past three fiscal years:

State of Maryland-General Obligation Bonds

<u>Date of Issue</u>	<u>Amount</u>	<u>Average Life in Years</u>	<u>Effective Interest Rate</u>	<u>Interest Cost Per Borrowed Dollar</u>
October 21, 1993	\$283,545,000	9.3	4.36%	40.5
March 3, 1994	184,210,000	8.2	4.36	35.7
June 2, 1994	120,000,000	9.7	5.24	51.0
October 20, 1994	160,000,000	8.7	5.60	48.8
March 23, 1995	175,000,000	9.8	5.44	53.1
October 26, 1995	150,000,000	9.6	4.91	47.3
February 29, 1996	170,000,000	9.6	4.48	43.2
June 20, 1996	150,000,000	9.7	5.23	50.7

Maryland's general obligation bonds have been rated Aaa by Moody's Investors Service and AAA by Standard and Poor's and Fitch Investors, Inc., for a number of years.